

**FY 2015 COMMUNITY DEVELOPMENT PROGRAM
Staff Report**

Project: Entrepreneur Fund Growing Neighborhood Businesses				Application Number: 15-ED-03 Page 47		
Consolidated Plan Objective: #18 – Provide training and technical assistance to businesses to increase assets and create jobs.						
FY 2015 Goal: 8		Amount Requested: \$64,000		Performance Indicator: People (Owners)		
Previous Awards and Spending Rates (as of 3/31/14 in the 2013 CAPER):						
	Award	Expended	Balance	Goal	Actual	(Verified) %LMI
2013	\$64,000	\$48,000	\$16,000*	8	9	55%
2012	\$64,000	\$58,000	\$6,000*	8	8	75%
2011	\$76,500	\$76,500	\$0*	8	9	55%

*Three-year contract, per D@W model

1. Consolidated Plan Priority

Con Plan Community Development Goals:

- Yes, this activity was identified in the 5-yr Consolidated Plan; and is listed in Table 2C, Objective 18 as “Provide training and technical assistance to businesses to increase assets and create jobs”. This project will provide business assistance to 8 LMI owners.

Priority Community Development Needs:

- High Priority

2. Project Readiness

Timely Completion/Expenditure of Funds:

- Ready to start and will follow the model of providing support and tracking businesses over three years. (The GNB program has tried to reduce the tracking timeline to only two years, however has found that growing revenue by 25% over three years is more realistic and will result in more successes. This fits within the D@W model and it the program is expended to expend the funds within this time period.

Additional Actions Needed:

- No additional actions anticipated, recruitment will begin in June and the cohort will commence in October, having all training completed within the first year.

3. Project Impact and Delivery

Achievement of Expected Results:

- Application highlights that past cohorts have created jobs in the \$12-15/hour range which was a direct result of this assistance.
- Application could further describe the need for this program and why this program is needed to get businesses growing and profiting. Some statistics on the current business climate and conditions would be helpful.

Target Clientele:

- At least 51% (five) of the business owners will be LMI.
- Businesses are located in the target neighborhoods of Morgan Park, West Duluth, Lincoln Park, and Hillside which all have a high percentage of low income residents and need for jobs.

Outcome Measurements:

- *Committee scored applicant 8.7 points at June Public Hearing*

Number of Persons/Households to Benefit:

- Per capita cost is 8 participants at \$8,000 of CDBG per business assisted.

Business/Operations Plan Approach:

- GNB works for success through intentional business recruitment and the D@W cohort model
- GNB participants also have access to other organizational expertise and business financing programs

4. Financial Considerations

Sufficiency and Leveraging of Resources:

- Ratio of leveraging is >1:1 with \$65,500 funds already secured.

Fiscal Support and Viability:

- Payment requests have been accurate and on time.
- There were no issues identified by city finance staff.

Project Budget Detail/Use of Funds

- CDBG budget is primarily comprised of staff salaries.

5. Applicant Attributes

Project /Program Management Ability and Capacity:

- *Committee scored applicant 6 points at June Public Hearing*

Past Performance/Experience:

- *Committee scored applicant 4.7 points at June Public Hearing*

Quality of Application:

Application is logical, clear, well written, accurate and attentive to detail, concise with appropriate statistical information and supporting documentation provided to thoroughly support any conclusions provided.

BONUS POINTS – 0 points

No bonus points should be awarded for this project as there aren't documented cost savings from collaboration.